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Brazil

Fresh Deciduous Fruit

Brazilian Apple and Pear Production and Trade

Outlook

2001

Approved by:

William W. Westman, Agricultural Counselor

U.S. Embassy

Prepared by:

Joao F. Silva, Agricultural Specialist

Report Highlights:

Brazil's 2000/01 apple production will likely drop by nearly 30 percent, compared to last year's crop. Exports are expected to continue to increase in 2001 because of a higher quality crop. Apple imports will increase to satisfy local consumption needs. Pear production in Brazil is low, but expanding in the apple region of Southern Brazil. This report provides only a statistical table on pear imports.

Includes PSD changes: No
Includes Trade Matrix: Yes
Unscheduled Report
Brasilia [BR1], BR

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Executive Summary

This report concentrates on apple production, consumption, and trade in Brazil. Pear production in Brazil is low (less than 200 metric tons), but growing due to foreign investment in the Southern region. In addition, apple producers are trying to increase pear production as a second crop alternative to apples. Brazil remains a net importer of pears. On a value basis, the United States is the second largest supplier of pears to Brazil behind Argentina. On a volume basis, Chile is now second to Argentina in this market. A statistical table for pear imports is provided at the end of this report.

Production

The harvest of the Brazilian 2000/01 apple crop began in the second half of January and is expected to be completed by late April 2001. Our trade sources estimate apple production in 2001 at 690,000 metric tons, down 29 percent from the record crop of 967,063 metric tons in the previous crop year. The decline in production is attributed to the following factors: a) excessive rains during the month of October 2000 which affected the flowering of the "Gala" variety; and b) many orchards suffered "plant stress" caused by high production of the "Fuji" variety last year. Despite the decline in production this year, producers expect the quality of the apple crop in 2001 to be better than last year. The estimated reduction in this year's apple crop has already improved producer prices, which were considered lower than production costs last year.

The state of Santa Catarina remains as the main apple producer with 52 percent, followed by Rio Grande do Sul with 44 percent, while Parana and Sao Paulo account for the remaining 4 percent. The two most important varieties cultivated in Brazil are "Gala" and "Fuji".

Despite the drop in production expected for this year's crop, Brazilian apple producers are optimistic about their near-term goal of reaching 1.2 million metric tons in apple production by 2002/03 crop year. About US\$20 million has been scheduled to be invested in cold storage, which will increase total cold storage capacity for apples from 35 to 50 percent of total apple production.

It is estimated that Brazil has nearly 33,000 hectares planted with different apple varieties, of which 30,000 hectares are in production. The following table provides an overview of area and production for apples, during the 1999/2000 crop year:

State	Area Harvested (hectares)	Production (metric tons)
Santa Catarina	16,779	500,143
Rio Grande do Sul	13,591	427,036
Parana	1,500	35,000
Sao Paulo	363	4,885
Brazil	32,233	967,064

Source: IBGE

Consumption

Despite the expected improvement in the Brazilian economy in 2001, apparent consumption of apples (consumer plus industry) will drop in 2001 because of higher apple prices. In addition, the expected higher quality of the 2000/01 apple crop will likely stimulate exports to the detriment of the domestic market. Industry consumption, which reached 20 percent of the total apple crop last year, is expected to have the greatest drop in consumption due to the higher price of apples.

Brazilian Apple Market: Basic Supply and Demand Data (in metric tons):

Year	1998	1999	2000 (a)	2001 (b)
Production	656,100	787,300	967,064	690,000
Imports	123,627	66,453	38,205	71,000
Exports	10,808	57,449	64,479	70,925
Apparent Consumption	768,719	796,304	940,790	690,075

Sources: Office of Agricultural Affairs (OAA), based on interviews with trade sources.

A) Estimate; b) Forecast

Trade

Brazilian exports of apples rebounded in 2000 due to the increased supply of apples at lower prices. In addition to the traditional markets in the European Union, Brazilian apple exporters were able to export to 30 markets overseas, of which 14 are new markets. The outlook for 2001 calls for an increase in apple exports of 10

percent due to the improved quality of the Brazilian crop.

Apple imports reached its lowest level in 2000 due to the higher availability of domestic produced apples. However, imports are expected to increase in 2001, because of the estimated drop in production, from Argentina and the European Union.

Policy

There is no national policy for increasing apple production in Brazil. Production policies are concentrated in the two southern states of Santa Catarina and Rio Grande do Sul, and are designed to improve the infrastructure of the sector, such as cold storage capacity and agricultural research.

Marketing

Brazilian apple producers spent approximately US\$300,000 in 2000 to promote the domestic consumption of apples. Promotion in the media emphasized the flavor of the Brazilian apple and health benefits for consumers. Apple exporters have applied to the Brazilian Export Promotion Agency (APEX) for matching funds for export promotion, but this project has not yet been approved.

Statistical Tables

Table I: Brazilian Imports of Fresh Apples by Country of Origin, 1997-2000.

BRAZIL: IMPORTS OF FRESH APPLES BY COUNTRY OF ORIGIN: 1997-2000								
Country of Origin	1997		1998		1999		2000	
	MT	US\$1000	MT	US\$1000	MT	US\$1000	MT	US\$1000
Argentina	95,089	46,038	97,672	44,419	50,582	21,655	23,678	12,180
Chile	11,663	4,035	17,498	6,308	9,623	3,200	10,535	4,130
USA	8,459	4,434	5,191	2,393	1,742	721	336	169
Spain	91	43	18	14	0	0	187	79
France	3,215	1,880	2,064	981	3,143	1,324	2,114	1,074
Hungary	211	127	0	0	0	0	0	0
Italy	540	302	140	74	454	238	971	507
Paraguay	64	10	38	6	0	0	0	0
Portugal	46	23	18	14	49	14	22	10
Venezuela	165	50	99	30	0	0	0	0
Uruguay	410	230	780	395	859	366	0	0
Others	433	129	109	22	1	1	362	130
Total	120,386	57,301	123,627	54,656	66,453	27,519	38,205	18,279
Notes:								
1- Harmonized Tariff System (HTS) Code: 0808.10.00								
2- Import Duty (Ad Valorem): 12.5 percent, effective January 1, 2001								
3- 2000: January-December only								
4- Imports of fresh apples from the United States requires phyto certificate issued by APHIS/USDA								

Table II: Brazilian Exports of Fresh Apples by Country of Destination, 1997-2000.

BRAZIL: EXPORTS OF FRESH APPLES BY COUNTRY OF DESTINATION: 1997-2000								
Country of	1997		1998		1999		2000	
Origin	MT	US\$1000	MT	US\$1000	MT	US\$1000	MT	US\$1000
Netherlands	18256	9912	6989	3463	37158	18260	30612	13415
United Kingdom	1158	731	3587	2147	7760	4801	11510	6331
Hong Kong	0	0	0	0	4755	2547	1166	466
Spain	0	0	0	0	3460	2038	1964	1136
Portugal	592	322	0	0	1100	572	832	386
Belgium	0	0	0	0	850	510	2043	854
Italy	0	0	108	47	602	371	584	334
United States	280	114	0	0	746	334	552	251
Singapore	0	0	0	0	423	249	290	149
Germany	0	0	0	0	333	231	6160	2971
Others	439	220	124	17	262	264	8766	4463
Total	20725	11299	10808	5674	57449	30177	64479	30756
Notes:								
1- Harmonized Tariff System (HTS) Code: 0808.10.00								
2- 2000: January-December only.								

Table III: Brazilian Imports of Fresh Pears by Country of Origin, 1997-2000.

BRAZIL: IMPORTS OF FRESH PEARS BY COUNTRY OF ORIGIN: 1997-2000								
Country of	1997		1998		1999		2000	
Origin	MT	US\$1000	MT	US\$1000	MT	US\$1000	MT	US\$1000
Argentina	130,335	74,880	121,407	61,420	91,787	41,992	81,319	39,919
United States	17,874	9,427	13,012	8,166	11,339	6,687	3,238	2,062
Portugal	5,617	3,347	509	519	3,447	1,702	3,238	1,867
Chile	4,626	2,200	3,338	1,602	2,988	1,131	4,286	1,755
Spain	942	669	1,073	752	755	391	1,048	730
Uruguay	1,604	740	1,691	853	639	244	972	312
France	76	57	114	87	138	68	83	58
Others	1,216	385	186	97	1	2	0	1
Total	162,290	91,705	141,330	73,496	111,094	52,217	94,184	46,704
Notes:								
1- Harmonized Tariff System (HTS) Code: 0808.10.10								
2- Import Duty (Ad Valorem): 12.5 percent, effective January 1, 2001								
3- 2000: January-December only								
4- Imports of fresh pears from the United States requires phyto certificate issued by APHIS/USDA								